

Message Text

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TO SECSTATE WASHDC 1187
INFO AMEMBASSY BELGRADE BY POUCH
AMEMBASSY BERN BY POUCH
AMEMBASSY BONN BY POUCH
AMEMBASSY BUDAPEST BY POUCH
AMEMBASSY PRAGUE BY POUCH
AMEMBASSY ROME BY POUCH
USNATO BRUSSELS BY POUCH
CINCAFSOUTH NAPLES BY POUCH
CINCEUR STUTTGART BY POUCH
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C O N F I D E N T I A L SECTION 1 OF 4 VIENNA 2401

CINCEUR FOR POLAD

E.O. 11652: GDS
TAGS: AMGT, PFOR, AU
SUBJECT: PARM - ANNUAL POLICY AND RESOURCE ASSESSMENT: AUSTRIA
- PART I

REFS: A) CERP 0001, B) STATE 038356, C) STATE 038338,
D) STATE 041169

1. A. - U.S. INTERESTS - MAJOR U.S. INTERESTS VIS-A-VIS
AUSTRIA -- FULLY IN ACCORD WITH THE RECENT GLOBAL AND
ERU REGIONAL INTERESTS AND TREND FORECASTS -- ARE IN MY VIEW
LARGELY A FUNCTION OF AUSTRIA'S NEUTRALITY POLICY AND ITS
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STRATEGIC GEOGRAPHIC LOCATION IN CENTRAL EUROPE. A PRO-
WESTERN, MILITARILY NEUTRAL AUSTRIA COMPLICATES WARSAW
PACT PLANNING AND REDUCES THE OVERLAND MILITARY AND
POLITICAL THREAT TO ITALY AND YUGOSLAVIA. CONVERSELY,
ANY SOVIET ATTEMPT TO OVERRUN OR SUBVERT AUSTRIA WOULD
UPSET THE POLITICAL-MILITARY BALANCE IN EUROPE.

2. AUSTRIA, WUTH ITS PLURALISTIC AND STABLE POLITICAL SYSTEM AND ITS HIGH-PERFORMANCE, CONSUMER-ORIENTED ECONOMY, SERVES, I BELIEVE, AS AN EASY-TO-UNDERSTAND EXAMPLE TO THE PEOPLES OF EASTERN EUROPE OF A VIABLE ALTERNATIVE TO A ONE-PARTY, COMMUNIST-CONTROLLED SYSTEM.

3. ANOTHER KEY U.S. INTEREST VIS-A-VIS AUSTRIA IS THE CONTINUED USE OF THE AUSTRIA AS A SITE FOR REGIONAL U.S. MANAGEMENT, INFORMATION, TRADE PROMOTION AND INTELLIGENCE ACTIVITIES TOWARD EASTERN EUROPE AND THE SOVIET UNION.

4. ASSUMING NO IMPORTANT SHIFTS IN AUSTRIA'S SECURITY AND POLITICAL-ECONOMIC SITUATION IN THE NEXT FEW YEARS, AUSTRIA CAN BE EXPECTED TO PLAY GENERALLY A HELPFUL, MODEST SUPPORTIVE ROLE ON HUMAN RIGHTS, STRENGTHENING OF WESTERN ECONOMIC INSTITUTIONS, MULTILATERAL ECONOMIC ISSUES, DETENTE WITH COMMUNIST COUNTRIES, ARMS CONTROL AND DISARMAMENT, UN REFORM, AND JOINT EFFORTS IN THE NEWER FIELDS OF ENVIRONMENT, SCIENCE AND TECHNOLOGY, ENERGY, NARCOTICS, AND RESOURCES DISTRIBUTION. AUSTRIA'S MAJOR INTEREST IN STABILITY IN POST-TITO YUGOSLAVIA AND CHANCELLOR KREISKY'S PERSONAL INTEREST IN MIDDLE EAST DEVELOPMENTS AND AN ARAB-ISRAELI SETTLEMENT MAKE FOR POSITIVE AUSTRIAN ATTITUDES IN THESE MATTERS.

5. B. OVERVIEW - ENVIRONMENTAL FACTORS - THE SOCIALIST-CONTROLLED GOVERNMENT, UNDER KREISKY'S ABLE CONFIDENTIAL

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LEADERSHIP, CAN BE EXPECTED IN MY VIEW TO REMAIN FIRMLY IN POWER UNTIL AT LEAST THE NEXT NATIONAL ELECTIONS IN THE FALL OF 1979. AS HERETOFORE, MODERATELY PROGRESSIVE POLICIES WILL BE PURSUED AND NO MAJOR POLICY SHIFTS ON DOMESTIC ISSUES ARE ANTICIPATED. THE DOMESTIC POLITICAL SCENE WULL CONTINUE TO BE VERY STABLE.

6. THE POST-WORLD WAR II AND POST-MARSHALL PLAN GENERATION WILL PLAY AN INCREASINGLY LARGER ROLE AS IT MOVES UP TO SENIOR POSITIONS IN VARIOUS INSTITUTIONS. IT IS LIKELY TO BE LESS COMMITTED IN GENERAL TO WESTERN VALUES AND TO U.S. FRIENDSHIP IN PARTICULAR. POLITICAL DRIFT IS MINIMAL THUS FAR AND WE HAVE TAKEN SOME STEPS TO COUNTER IT.

7. I AM CONVINCED "ACTIVE NEUTRALITY" WILL REMAIN THE KEYSTONE OF AUSTRIAN FOREIGN PLICY. THE GOA CAN THEREFORE BE EXPECTED TO CONTINUE TO SEEK GOOD RELATIONS WITH THE U.S. AND THE USSR AND ITS IMMEDIATE NEIGHBORS;

EXTEND USEFUL SUPPORT TO THE UN; PROMOTE VIENNA AS A SITE FOR INTERNATIONAL ORGANIZATIONS AND CONFERENCES; AND GIVE SUBSTANCE TO THE PRINCIPLE TO HUMANITARIANISM (REFUGEE ASSISTANCE, POLITICAL ASYLUM AND DISASTER AID). KREISKY HIMSELF HAS ADDED ANOTHER DIMENSION TO AUSTRIAN FOREIGN POLICY IN HIS STRONG IDEOLOGICAL STAND FOR HUMAN RIGHTS AND AGAINST AUTHORITARIAN REGIMES, AND AS SPOKESMAN FOR THE SOCIALIST INTERNATIONAL REGARDING MIDDLE EAST DEVELOPMENTS AND THE NEED FOR EUROPEAN SOCIAL DEMOCRATIC GOVERNMENTS TO PLAY A GREATER ROLE IN THE THIRD WORLD BY OFFERING THE SOCIAL DEMOCRATIC ALTERNATIVE TO THE COMMUNIST MODEL.

8. BARRING SOME UNFORESEEN MISHAP SUCH AS RECURRENCE OF THE 1974-75 WORLD RECESSION, THE AUSTRIAN ECONOMIC ENVIRONMENT IS LIKELY TO REMAIN ESSENTIALLY UNCHANGED OVER THE NEXT SEVERAL YEARS. I BASE THIS JUDGMENT ON
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THE FOLLOWING FACTORS. OVERALL GROWTH WILL BE SLIGHTLY LOWER THAN 1976 (4.5 PERCENT) AND INFLATION NO HIGHER (7 PERCENT). FULL EMPLOYMENT WILL REMAIN THE PRIMARY POLICY OBJECTIVE, AND UNEMPLOYMENT WILL BE HELD LOW 2(2 PERCENT). MONETARY AND FISCAL POLICIES, HOWEVER, WILL CONTINUE TO BEAR A CLEAR TRACE OF TRADITIONAL AUSTRIAN CONSERVATISM. AUSTRIAN INCOMES POLICY (THE "SOCIAL PARTNERSHIP") WILL CONTINUE TO PLAY AN IMPORTANT, POSITIVE ROLE IN FACILITATING LABOR-MANAGEMENT RELATIONS AND MODERATING INFLATION. EXPORTS AND IMPORTS WILL NOT MAINTAIN 1976 REAL GROWTH RATES (16 AND 23 PERCENT), AND THE TRADE GAP AND CURRENT ACCOUNT DEFICIT WILL NARROW SOMEWHAT. THE SCHILLING MAY BE

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AMEMBASSY BUDAPEST
AMEMBASSY PRAGUE
AMEMBASSY ROME
USMISSION NATO
CINCAFSOUTH NAPLES
CINCEUR STUTTGART
CINCUSAREUR HEIDELBERG

C O N F I D E N T I A L SECTION 2 OF 4 VIENNA 2401

CINCEUR FOR POLAD

DEVALUED VIS-A-VIS THE D MARK. THE POLITICAL RISK OF AN
ACTIVE NUCLEAR POWER POLICY WILL FURTHER SLOW DEVELOPMENT
OF NUCLEAR ENERGY FACILITIES AND ADD TO THE IMPORT BILL.

9. AUSTRIA'S ECONOMIC ORIENTATION WILL CONTINUE TO BE
PREDOMINATELY WITH THE WEST (REFLECTING STRONG TRADE
AND FINANCIAL TIES) AND ITS POLICIES WILL BE SHAPED
PRIMARILY BY MARKET FORCES. THE CHANCELLOR'S INTEREST
IN POLITICAL BRIDGE BUILDING AND HIS APPROACH TO
SATISFYING CERTAIN AUSTRIAN INTERESTS MAY COMPLICATE
AT TIMES OUR EFFORTS TO WIN GOA SUPPORT FOR U.S.
POSITIONS. BASICALLY, HOWEVER, THE AUSTRIAN STANCE
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WILL BE MARKED BY A REALISTIC PERCEPTION OF AUSTRIAN
SELF INTEREST AND PRAGMATISM.

10. VALIDITY OF CURRENT U.S. POLICIES. PROJECTED
AUSTRIAN DOMESTIC AND FOREIGN POLICY ENVIRONMENTAL
FACTORS FOR THE NEXT SEVERAL YEARS ARE OVERWHELMINGLY
FAVORABLE TO THE PURSUIT OF KEY U.S. BILATERAL AND
MULTILATERAL INTERESTS VIS-A-VIS AUSTRIA. CURRENT
U.S. POLICIES REMAIN IN MY VIEW VALID OVER THE SHORT
AND MEDIUM TERM. MINOR SHIFTS WHICH MAY BE NECESSARY
TO ACCOMMODATE U.S. EMPHASIS ON DISARMAMENT AND HUMAN
RIGHTS CAN BE MADE EASILY WITHOUT NEGATIVE FALLOUT FOR
THE U.S. POSITION IN AUSTRIA. HOWEVER, A MAJOR DOWN-
TURN IN U.S.-USSR RELATIONS OR A SHARP RISE IN
INSTABILITY IN YUGOSLAVIA FOLLOWING TITO'S DEATH WOULD
GIVE RISE TO UNCERTAINTY AND CONCERN ON AUSTRIA'S
DOMESTIC AND INTERNATIONAL FRONTS.

11. C. OBJECTIVES, COURSES OF ACTION, AND ISSUES.

OBJECTIVE 1. PRESERVATION OF AN INDEPENDENT, NEUTRAL, PRO-WESTERN AUSTRIA, ECONOMICALLY VIABLE AND WITH CREDIBLE DEFENSE CAPABILITIES.

12. DISCUSSION. THE U.S. PLAYED A KEY ROLE IN THE RE-ESTABLISHMENT OF A FULLY INDEPENDENT AUSTRIA BY EXTENDING POLITICAL AND ECONOMIC SUPPORT IN THE EARLY POST-WORLD WAR II YEARS AND BY ITS SIGNATURE OF THE 1955 STATE TREATY. AUSTRIA TRIES TO INCREASE ITS SENSE OF SECURITY AND BUTTRESS ITS NEUTRALITY BY REITERATING ITS AFFILIATION WITH THE WEST AND BY PLAYING AN ACTIVE ROLE IN INTERNATIONAL AFFAIRS (UN, INTERNATIONAL CONFERENCES, PEACEKEEPING FORCES IN MIDDLE EAST, HUMANITARIAN AND REFUGEE POLICIES).

13. COURSES OF ACTION.

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-- UNDERLINE OUR COMMITMENT TO NATO AS THE GUARANTOR OF PEACE AND PROSPERITY IN WESTERN EUROPE (AND THE IMPLICIT GUARANTOR OF AUSTRIAN STABILITY, INDEPENDENCE AND NEUTRALITY).

-- DEMONSTRATE STRONG U.S. SUPPORT FOR AN INDEPENDENT, NEUTRAL AUSTRIA IN APPROPRIATE POLICY STATEMENTS AND VISITS IN BOTH DIRECTIONS OF SENIOR OFFICIALS.

-- KEEP THE AUSTRIAN LEADERSHIP FULLY INFORMED OF U.S. POSITIONS AND OTHER DEVELOPMENTS IMPACTING ON AUSTRIA BOTH TO PROVIDE INPUTS FOR U.S. POLICY-MAKERS AND TO COUNTER ANY GOA FEELINGS OF NEGLECT BY THE WEST.

-- EMPHASIZE A STRONG, FORWARD-LOOKING INTERNATIONAL ROLE PARTICULARLY WITH RESPECT TO TRADE LIBERALIZATION AND NORTH/SOUTH ISSUES, AND DEMONSTRATE SENSITIVITY TO THE POTENTIAL IMPACT OF U.S. ACTIONS (ESPECIALLY TRADE) ON AUSTRIAN ECONOMIC WELL-BEING.

-- DEVELOP BETTER CONTACTS WITH SIGNIFICANT ELEMENTS OF YOUNGER AUSTRIAN LEADERS CHIEFLY IN GOVERNMENT, LABOR, BUSINESS AND THE CULTURAL AND MEDIA AREAS, THROUGH THE USE OF EXCHANGE AND OTHER PROGRAMS, TO MAINTAIN THE PRO-WESTERN STANCE OF AUSTRIA.

-- USE APPROPRIATE OPPORTUNITIES TO INDICATE TO GOA OFFICIALS OUR BELIEF THAT IN THE ABSENCE OF MAJOR

DISARMAMENT AGREEMENTS FOR CENTRAL EUROPE, THE EFFECTIVENESS OF AUSTRIA'S MILITARY POSTURE SHOULD NOT BE REDUCED BUT MODERNIZED AND IMPROVED UPON AND BE GIVEN NECESSARY POLITICAL SUPPORT.

14. OBJECTIVE 2. COOPERATION WITH AUSTRIA ON MULTILATERAL MATTERS.

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15. DISCUSSION. AUSTRIA HAS CONSISTENTLY SOUGHT BY PLAYING AN ACTIVE ROLE IN INTERNATIONAL AFFAIRS TO INCREASE ITS SENSE OF SECURITY AND ECONOMIC WELL-BEING. THIS ACTIVISM REFLECTS IN PART KREISKY'S MAJOR PREOCCUPATION WITH FOREIGN AFFAIRS AND THE PUBLICITY IT PROVIDES FOR HIM, AND IN PART THE BALANCING ACT OF A SMALL CENTRAL EUROPEAN NEUTRAL WHICH MUST TAKE INTO ACCOUNT THE VIEWS OF WESTERN, COMMUNIST, AND THIRD-WORLD CAMPS. ON BALANCE, AUSTRIA REMAINS GENERALLY SUPPORTIVE OF U.S. POSITIONS ON INTERNATIONAL ISSUES BUT INCREASINGLY TENDS TO ABSTAIN ON CONTROVERSIAL ISSUES WHICH IT FEELS MAY ANTAGONIZE THE THIRD WORLD.

16. COURSES OF ACTION.

-- MAINTAIN OUR SUPPORT FOR VIENNA AS THE THIRD UN CITY.

-- KEEP THE GOA INFORMED OF THE RATIONALE FOR U.S. POLICIES AND OUR WILLINGNESS TO PLAY A STRONG LEADERSHIP ROLE, AND ENCOURAGE APPROPRIATE GOA SUPPORT.

-- ENCOURAGE AUSTRIA TO PLAY A CONSTRUCTIVE ROLE IN INTERNATIONAL ECONOMIC FORUMS AND TO SUPPORT U.S. POLICIES IN THE TRADE, MONETARY, ENERGY, AID, AND NORTH/SOUTH DIALOGUE FIELDS. SPECIFICALLY:

A) ENCOURAGE ACTIVE GOA PARTICIPATION IN AND COOPERATION WITH THE IEA, AS WELL AS FURTHER DEVELOPMENT OF ITS OWN ENERGY SOURCES AND DIVERSIFICATION OF ITS FOREIGN SOURCES OF ENERGY;

B) TRY TO CAPITALIZE ON KREISKY'S WILLINGNESS TO COMMIT AUSTRIAN ENERGIES (AND LIMITED RESOURCES) -- AND

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CINCEUR STUTTGART
CINUSAREUR HEIDELBERG

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ON THE ADVANTAGES AUSTRIA OFFERS AS A NEUTRAL, FRIENDLY
COUNTRY -- TO MOVE THE AUSTRIANS IN DIRECTIONS WE WANT
TO TAKE IN THE NORTH/SOUTH DIALOGUE;

C) SEEK -- IN MTN, THROUGH GATT, AND BILATERALLY --
TO REDUCE THE DISCRIMINATORY EFFECTS ON U.S. EXPORTS OF
AUSTRIA'S PREFERENTIAL TRADE AGREEMENTS WITH THE EC AND
EFTA, AND TO DISCOURAGE AUSTRIA FROM CONCLUDING FURTHER
SUH DE FACTO OR DE JURE ARRANGEMENTS (EXCEPT
GENERALIZED PREFERENCES);

D) ENCOURAGE THE GOA TO INCREASE ITS RESOURCE
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CONTRIBUTION TO INTERNATIONAL ECONOMIC DEVELOPMENT EFFORTS.

17. OBJECTIVE 3. PROVIDING A GROWING MARKET FOR U.S.
EXPORTERS AND INVESTORS.

18. DISCUSSION. FOR THE AMERICAN EXPORTER THE AUSTRIAN
MARKET REPRESENTS A LIMITED BUT GROWING OPPORTUNITY WITH

PARTICULAR POTENTIAL IN SELECTED AREAS. FAVORABLE PROSPECTS FOR CONTINUED ECONOMIC GROWTH WITH A HIGH PROPENSITY TO IMPORT, AUSTRIA'S RELATIVELY LIBERAL IMPORT REGIME, AND ESPECIALLY THE CURRENTLY FAVORABLE EXCHANGE RATE FOR AMERICAN EXPORTS MAKE THIS A PROPITIOUS TIME FOR AGGRESSIVE EFFORTS.

19. COURSES OF ACTION.

-- ADAPT THE CCP TO THOSE PRODUCE SECTORS AND PROGRAMS (E.G. FOREIGN BUYER) POSSESSING GREATEST POTENTIAL UNDER CURRENT CIRCUMSTANCES, AND IMPLEMENT IT FULLY;

-- SUPPLEMENT THE POST'S LIMITED PROGRAM OF USG-SPONSORED PROMOTIONAL EVENTS BY TAKING ADVANTAGE OF SPIN-OFF FROM SUCH EVENTS ELSEWHERE IN EUROPE;

-- INCREASE POST RESOURCES ALLOCATED TO SEEKING OUT, PUBLICIZING AND FOLLOWING THROUGH ON MAJOR PROJECT AND PRODUCT OPPORTUNITIES;

-- MOBILIZE ALL EMBASSY RESOURCES MORE EFFECTIVELY IN PURSUIT OF COMMERCIAL OBJECTIVES.

20. OBJECTIVE 4. TAKE ADVANTAGE OF THE ROLE VIENNA PLAYS IN EAST-WEST ECONOMIC ACTIVITY, AND AS THE SITE OF MULTILATERAL ORGANIZATIONS, TO ENHANCE U.S. INTERESTS.

21. DISCUSSION. BECAUSE OF VIENNA'S ROLE OF A "TURNTABLE" CONFIDENTIAL

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FOR EAST-WEST ECONOMIC ACTIVITY, IT PROVIDES AN ADVANTAGEOUS SPOT FOR GATHERING INFORMATION ON THESE ACTIVITIES AND FOR ASSISTING U.S. COMMERCIAL AND FINANCIAL CONCERNS INTERESTED IN INCREASING THEIR PARTICIPATION IN THAT ACTIVITY. LOCATION OF OPEC'S HEADQUARTERS IN VIENNA IS A FURTHER OBJECT OF PRIME U.S. INTEREST.

22. COURSES OF ACTION.S

-- ALLOCATE OUR SUBSTANTIALLY REDUCED (WITH THE ELIMINATION OF THE EAST-WEST TRADE CENTER) RESOURCES TO PROVIDE THE TYPE OF SUPPORT AND ASSISTANCE MOST USEFUL TO AMERICAN FIRMS USING VIENNA FOR EAST-WEST ECONOMIC OPERATIONS;

-- INCREASE POST CONTACTS AND BUILD UP A REPORTING PROGRAM ON EAST-WEST ECONOMIC ACTIVITIES;

-- DEVELOP CLOSER CONTACT WITH THE OPEC SECRETARIAT
IN HOPES OF IMPROVING ITS AWARENESS OF U.S. IEWS.

23. OBJECTIVE 5. FULL UTILIZATION OF AUSTRIA'S STRATEGIC
LOCATION IN SUPPORT OF U.S. REGIONAL AND MULTILATERAL
INTERESTS.

24. DISCUSSION. AUSTRIA'S LOCATION, NEUTRALITY,
TRADITIONAL TIES TO THE EAST AND STRONG PRO-WESTERN
STANCE MAKE IT AN IDEAL SITE FOR U.S. REGIONAL

ADMINISTRATIVE SUPPORT AND INFORMATION GATHERING,
PROPAGANDA AND INTELLIGENCE ACTIVITIES DIRECTED AT
EASTERN EUROPE AND THE SOVIET UNION AND EXPORT PROMOTION
IN EASTERN EUROPE. THERE ARE 29 (EMBASSY TOTAL 106)
AMERICAN AND 91 LOCALS (249) ENGAGED FULL TIME IN
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REGIONAL ACTIVITIES. ANOTHER 20 AMERICAN AND 44 LOCALS
WORK PART TIME ON REGIONAL ACTIVITIES.

25. COURSES OF ACTION.

-- SUPPORT VIENNA AS A SITE FOR SUITABLE INTERNA-
TIONAL CONFERENCES AND MEETINGS;

-- CONTINUE TO PROVIDE INFORMATION MATERIAL TO
AUSTRIAN MEDIA WHICH CAN BE RECEIVED IN NEIGHBORING
EE COUNTRIES;

-- ENCOURAGE CONTINUATION BY AUSTRIA OF ITS POLICIES
ON REFUGEE ASSISTANCE AND POLITICAL ASYLUM;

-- GIVE PUBLIC RECOGNITION IN U.S. POLICY STATEMENTS
OF AUSTRIA'S GENEROUS REFUGEE AND ASYLUM POLICY AND
STRONG STAND ON HUMAN RIGHTS.

26. OBJECTIVE 6. PROVISION OF CONSULAR SERVICES.

27. DISCUSSION. THE COUNSULAR SECTION PROVIDES THE
FULL RANGE OF CONSULAR SERVICES. THE ONE-AMERICAN-
OFFICER CONSULATE SALZBURG OPERATION PROVIDES PASSPORT,
NOTARIAL AND WELFARE/WHEREABOUTS SERVICES FORH THE
THREE WESTERN AUSTRIAN PROVINCES. THE PRINCIPAL FUNCTION
OF THE SEVEN-MEMBER (FOUR AMERICANS, THREE FSLs)SINS
OFFICE IN VIENNA IS ADMINISTRATION OF THE U.S. REFUGEE
PROGRAM.

28. ABOUT 500,000 AMERICAN TOURISTS VISIT AUSTRIA

ANNUALLY, THERE ARE ABOUT 10,000 RESIDENT AMERICANS
AND ABOUT 2,500 BENEFICIARIES OF USG FEDERAL BENEFITS.
PASSPORT AND CITIZENSHIP CASES APPROXIMATE 1,700 AND
ABOUT 1,000 VISAS ARE OBTAINED FOR U.S. SOFFICIAL
TRAVELERS TO EASTERN EUROPE ANNUALLY. ALL SUCH
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CATEGORIES OF SERVICES CAN BE EXPECTED TO INCREASE
SOMEWHAT OVER THE NEXT FEW YEARS.

29. AUSTRIAN NIV TRAVEL TO THE U.S. CONTINUES TO CLIMB
SHARPLY, BY ABOUT 18 PERCENT IN LAST YEAR'S RECORD
OF NEARLY 20,PPP, AND BY ANOTHER 20 PERCENT SINCE THE
BEGINNING OF 1977. IMMIGRANT VISA ISSUANCE AMOUNTED
TO 238 IN 1975, WAS 247 IN 1976, AND AVERAGED 17 PERCENT

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USMISSION NATO
CINCAFSOUTH NAPLES
CINCEUR STUTTGART
CINCUSAREUR HEIDELBERG

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CINCEUR FOR POLAD

MORE IN THE FIRST THREE MONTHS OF 1977.

30. COURSES OF ACTION.

-- PROTECTION OF THE INTERESTS AND WELFARE OF
RESIDENT AND TOURING AMERICANS;

-- FACILITATION OF TRAVEL THROUGH EXPEDITIOUS VISA
AND PASSPORT SERVICES;

- PRECLUDING ENTRY OF ILLEGAL ALIENS INTO THE U.S.

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31. NEW POLICY EMPHASIS AND OTHER AGENCIES' PARTICIPATION

THE POLICY EMPHASES CONTAINED IN S/P AND EUR FORECAST PAPERS WILL NOT IN MY ESTIMATE GENERATE PROBLEMS OR REQUIRE ADJUSTMENTS IN U.S. POLICY VIS-A-VIS AUSTRIA. AGENCIES OTHER THAN STATE WILL CONTINUE TO PARTICIPATE VERY SUBSTANTIALLY IN U.S. GOVERNMENT ACTIVITIES IN AND CONCERNING AUSTRIA.

32. ISSUES OF INTEREST TO EUR. WITH REGARD TO THE ISSUES CITED IN STATE 041169, PARA 7, AND RELEVANT TO AUSTRIA, OUR VIEWS FOLLOW.

33. CSCE. AUSTRIA PLAYED A CONSTRUCTIVE ROLE IN CSCE NEGOTIATIONS AND CONSIDERS THE HELSINKI FINAL ACT A POLITICAL DOCUMENT OF MAJOR SIGNIFICANCE. THE FINAL ACT ACCORDS FULLY WITH AUSTRIA'S SELF-APPOINTED ROLE OF BRIDGE BUILDER TO THE EAST AND PROMOTER OF EAST-WEST ECONOMIC INTERCOURSE. GOA POSITIONS ON BELGRADE '77 ARE LARGELY IN ACCORD WITH OURS, AND CLOSE, EARLY CONSULTATIONS WITH THE AUSTRIANS SHOULD HELP THE GOA TO PLAY AN ACTIVE, POSITIVE ROLE IN WESTERN SENSE.

34. HUMAN RIGHTS. AUSTRIA HAS CONSISTENTLY SUPPORTED HUMAN RIGHTS AS PART OF THE LARGER PRINCIPLE OF HUMANITARIANISM, ONE OF THE BASIC TENETS OF AUSTRIAN FOREIGN POLICY. BOTH PUBLICLY AND PRIVATELY, THE GOA HAS ASSISTED THOSE DISADVANTAGED AND DISCRIMINATED AGAINST IN VARIOUS PARTS OF THE WORLD. THE KREISKY GOVERNMENT CAN BE EXPECTED TO CONTINUE SUPPORT FOR THE OBSERVANCE OF HUMAN RIGHTS AS A MATTER OF PRINCIPLE AND AS PART OF THE CONTINUING IDEOLOGICAL COMPETITION WITH THE COMMUNIST CAP.

35. EUROCOMMUNISM. KREISKY'S POSITION ON EURO-

COMMUNISM IS BASED ON DISDAIN FOR ALL TOTALITARIAN
SYSTEMS AND PARTIES, INCLUDING ORTHODOX COMMUNIST ONES,
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AND FASCINATION OVER THE POSSIBILITY OF THE ITALIAN,
SPANISH AND FRENCH CPS EVOLVING INTO A NEW HYBRID FORM
OF POLITICAL ORGANIZATION. HE CONSIDERS THE BEST TACTIC
FOR THE WEST IS AVOIDANCE OF A CONFRONTATIONAL STANCE
REGARDING POSSIBLE PARTICIPATION OF CPS IN WEST
EUROPEAN GOVERNMENTS, WHILE CONTINUING TO MAINTAIN HEAVY
PUBLIC PRESSURE ON THEM TO CHANGE THEIR PRACTICES TO
REFLECT IN FACT AND DEED THEIR NEWLY ADOPTED POLITICAL
VOCABULARY. THE BEST RESULT OF SUCH POLITICAL FERMENTA-
TION WOULD BE THE TRANSFORMATION OF THESE PARTIES INTO
SOMETHING CLOSER TO THE SOCIAL DEMOCRATIC MOLD; ANOTHER
POSSIBILITY WOULD BE THE PROMOTION OF WARRING FACTIONS
WITHIN PARTIES.

36. ENERGY. AUSTRIAN DEPENDENCE ON IMPORTED ENERGY IS
HIGH AND RISING. MOST ENERGY IMPORTS COME FROM OPEC
COUNTRIES (PETROLEUM), THE SOVIET UNION (NATURAL GAS
AND PETROLEUM) AND EASTERN EUROPE (COAL AND ELECTRIC
POWER). THE GOA RECOGNIZES THE POTENTIAL RISKS IN THIS
SITUATION AND IS SEEKING TO DIVERSIFY ITS SOURCES
(INCLUDING U.S. COAL). IN WHAT WAS A MAJOR POLITICAL
DECISION, NEUTRAL AUSTRIA JOINED THE INTERNATIONAL
ENERGY AGENCY (AND RECEIVED A MIXED REPORT CARD
AT THE IEA'S JANUARY 1977 REVIEW). TO ACHIEVE ITS
ENERGY TARGETS FOR THE MID-1980'S, AUSTRIA WILL HAVE
TO IMPROVE ITS CONSERVATION EFFORTS AND TAKE SOME HARD
DECISIONS ON NUCLEAR POWER, WHICH IS INCREASINGLY
A PUBLIC ISSUE HERE. ON NUCLEAR POWER AND ON ENERGY
ISSUES GENERALLY, AUSTRIA WILL CONTINUE TO LOOK TO THE
U.S. FOR TECHNOLOGICAL AND POLICY LEADERSHIP.

37. MULTILATERAL ECONOMIC ISSUES.

A) NORTH/SOUTH DIALOGUE - ALTHOUGH AUSTRIA IS NOT A
CIEC MEMBER IT SEEKS AN ACTIVE ROLE IN THE NORTH/SOUTH
DIALOGUE. AUSTRIAN PARTICIPATION IN THE DIALOGUE IS
CONFIDENTIAL

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OFTEN CHARACTERIZED, HOWEVER, BY AMBIVALENT
POSITIONS AND A TENDENCY TO FOLLOW THE MAJORITY.
MOREOVER, AUSTRIA'S ACTUAL AID PERFORMANCE HAS BEEN WEAK.
DESPITE THESE HINDRANCES WE SHOULD CONTINUE TO TRY TO

CAPITALIZE ON KREISKY'S WILLINGNESS TO COMMIT AUSTRIAN ENERGIES TO THE DIALOGUE AND TO TRY TO MOVE THE AUSTRIANS IN DIRECTIONS WE WANT TO TAKE. WE ALSO SHOULD TAKE ADVANTAGE OF ITS NEUTRAL YET, FROM THE USG VIEWPOINT, FRIENDLY LOCUS FOR MULTILATERAL MEETINGS AND ORGANIZATIONS INVOLVED IN NORTH/SOUTH ISSUES.

38. B) MULTILATERAL TRADE NEGOTIATIONS - SMALL AND HEAVILY DEPENDENT ON TRADE, AUSTRIA IS BASICALLY DISPOSED TO AN OPEN INTERNATIONAL TRADING SYSTEM. AT THE SAME TIME, AUSTRIAN MEMBERSHIP IN EFTA, AND PARTICULARLY ITS FREE TRADE ARRANGEMENT (AS OF JULY 1, 1977) WITH THE EC, ARE MAJOR DETERMINANTS OF AUSTRIAN VIEWS ON SPECIFIC ISSUES. THE AUSTRIANS HAVE LIBERALIZED THEIR TRADE WITH THE COMECON COUNTRIES BUT HAVE RESISTED PRESSURES TO NEGOTIATE FINNISH-TYPE FREE TRADE AGREEMENTS WITH THEM. OUR CHANCES FOR WINNING AUSTRIAN SUPPORT FOR U.S. POSITIONS WILL DEPEND PRIMARILY ON (A) OUR ASSUMING A POSITIVE, LEADERSHIP ROLE IN MTN; (B) OUR SUCCESS IN KEEPING THE GOA INFORMED; AND (C) OUR SENSITIVITY TO ISSUES WHICH IMPACT UPON IMPORTANT AUSTRIAN TRADE INTERESTS. BUCHANAN

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Message Attributes

Automatic Decaptioning: X
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